



HSS ENGINEERS BERHAD
Registration No. 201501003232 (1128564-U)

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

This Conflict of Interest Policy (“**the Policy**”) outlines the disclosure obligations of each Director and Senior Management of HSS Engineers Berhad (“**HEB or the Company**”) and its subsidiaries (“**HEB Group**”) with respect to conflict of interest and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

The objective of this Policy aims to ensure that conflict of interest is handled appropriately, promoting transparency, fostering a culture of honesty and accountability, and good governance within the Company and its subsidiaries.

2. DEFINITIONS

A conflict of interest arises when the interests of an individual, such as a Director, or Senior Management, interfere or appear to interfere with the interests of the Company or the HEB Group. It may also occur when an individual’s interest makes it difficult to perform their roles objectively and effectively.

A potential conflict of interest is a conflict of interest that has not yet materialised but may arise subsequently due to prevailing relationships or interests of an individual.

A perceived conflict of interest is a conflict which could exist but is not directly tied to the Director or Senior Management.

To clarify the above, interest refers to direct or indirect financial interest, non-financial interest, or competing loyalties or interests in a business that competes with the Company.

3. SCOPE

This Policy applies to all Directors and Senior Management of HEB Group. It covers conflict of interest that may arise between their personal interests and the interests of the Company or its subsidiaries. The personal interests shall include but not limited to the interests of family member, i.e. spouse, parent, child (including adopted child or step-child), siblings, spouse of child or siblings of the Director and Senior Management of HEB Group or any company, corporation owned or controlled by them in which they have substantial personal interest.

Conflict of Interest Policy

This Policy shall be read together with

- HEB's Anti-Bribery Policy;
- HEB's Code of Ethics of Directors;
- HEB's Corporate Procedures and Disclosures Policy; and
- HEB's Whistle-blower Policy.

4. CIRCUMSTANCES WHICH CONSTITUTE OR MAY GIVE RISE TO CONFLICT OF INTEREST

A conflict of interest may be actual, potential or perceived and may be financial or non-financial interests arising from relationships (family, business, or professional), or competing loyalties or interests.

Conflict of interest situations may take many forms. Directors and Senior Management should be vigilant in identifying situations that may give rise to a conflict of interest.

Examples of situations (non-exhaustive) where a conflict of interest could arise are as follows:-

- a) Where a Director or Senior Management is interested in a contract or proposed contract with the Company or HEB Group. A director is deemed to have an interest in a contract or proposed contract if the interest is held by his/her family member.
- b) Where a Director holds another office or possesses any property where duties or interests are created which may conflict with his duties and interest as a Director.
- c) Where a Director or Senior Management uses the Group's property, information or position for personal gain.
- d) Where a Director or Senior Management takes advantage of any opportunity which may be given to the Group.
- e) Channelling benefits or resources meant for the Company to a company in which the Director or Senior Management has an interest.
- f) Disclosing trade secrets to competitors when the Director or Senior Management has an interest in such competitors.
- g) Leveraging the Company's business plans for personal gain through private companies.
- h) Involvement in a business that competes with HEB Group's projects.
- i) Holding offices or directorships in companies that compete with the Company.

Conflict of Interest Policy

5. DISCLOSURE OF CONFLICT OF INTEREST

- 5.1 Any Director or Senior Management who becomes aware of a conflict of interest must promptly disclose the nature and extent of the conflict to the Company.
- 5.2 Disclosure should occur as soon as practicable after the relevant facts have come to the knowledge of the individual and should be made on a periodic and regular basis, including at all Board of Directors' meetings ("**Board Meetings**").
- 5.3 The disclosure should include all relevant details, such as the nature of interest and extent of interest (including interest in any competing business with the Group), the relationship or transaction involved and the potential impact on the Company using the prescribed standard form as approved by the Board of Directors.
- 5.4 Such disclosure shall be submitted to the Legal Department and to be reviewed by the Audit and Risk Management Committee.

6. MANAGEMENT OF CONFLICT OF INTEREST

- 6.1 The Audit and Risk Management Committee shall review and report any conflict of interest situations to the Board of Directors' ("**Board**"), along with the measures taken to identify, resolve, eliminate, or mitigate such conflicts. Any disclosures found to be a conflict of interest or potential conflict of interest should be included in the Audit and Risk Management Committee Report.
- 6.2 The Audit and Risk Management Committee's review and disclosure must cover conflict of interest situations that arose or may arise during the financial year, as well as persisting conflict of interest from previous financial years.
- 6.3 The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:-
- a) Requiring prompt and periodic declaration of conflict of interest by the Director and Senior Management of HEB Group, including at board meetings and on a regular basis.
 - b) Restricting the participation of individuals with conflict of interest in relevant board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts.
 - c) Conducting an assessment of conflict of interest during annual performance appraisal and before new appointments.
 - d) Executing non-disclosure or confidentiality agreements to protect confidential and proprietary information or trade secrets.
 - e) Restricting Director and Senior Management from participating in businesses that compete with the Company or HEB Group.
 - f) In cases where conflict of interest significantly affects the performance of Director or Senior Management, requiring them to divest the conflicting interest

Conflict of Interest Policy

or consider resigning from the Company or HEB Group. Taking into the account the significance of the conflict of interest and potential ramifications of a failure to handle the conflict properly, Directors should consider whether to inform the Board not to send them board papers relating to the resolution.

- 6.4 The Board has the discretion to determine the appropriate course of action on a case-by-case basis, taking into account the specific facts and circumstances of each matter.
- 6.5 The Legal Department should keep proper record of all conflict of interest disclosure by the interested Director and Senior Management.

7. TRAINING

- 7.1 It is encouraged for the employees of HEB to be trained on content of this policy and the Human Resource Department shall ensure appropriate training on the policy on annual basis.

8. RECORDS MAINTENANCE

- 8.1 The Company Secretary shall be responsible to record all conflict of interests or potential conflict of interest by the interested Director or Senior Management, in the minutes of meeting of the Board or in the directors' resolution in writing as the case may be, at which the declaration was made and to maintain an updated record of such COI disclosures received.
- 8.2 These records shall be made available for inspection by auditors or other regulatory authorities upon request.
- 8.3 HEB will take all reasonable steps to ensure compliance with Personal Data Protection Act in collecting and using the information as part of the assessment process. The information gathered from the assessments shall be strictly for the Board's use for the purpose of the assessment and not for public disclosure.

9. PERIODIC REVIEW

This Policy shall be reviewed periodically or as and when necessary by the Board.

10. BREACH OF POLICY

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of amongst others, this Policy, Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act 2016, and could result in amongst others, disciplinary action being taken by HEB.